

CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 388

May 21, 1975

DEDUCTIONS: EMPLOYEES' CONTRIBUTIONS TO CALIFORNIA UNEMPLOYMENT INS.

Syllabus:

The Internal Revenue Service has ruled that amounts withheld from employees' wages pursuant to the California Unemployment Insurance Act are no longer deductible by the employees for federal income tax purposes.

Regulation 17204(f) of the California Administrative Code which provides in part that amounts withheld from employees' wages and paid to the State Unemployment Insurance Fund (Unemployment Compensation Disability Fund) pursuant to the California Unemployment Insurance Act are deductible, will be amended to conform with the federal ruling.

Legal Ruling 313, dealing with the deductibility of employees' unemployment insurance contributions, is withdrawn.